



# Budget Speech

OF

**THE HON. ERNEST C. MANNING**

TREASURER OF THE PROVINCE OF ALBERTA

**Delivered on March 7th**

**1952**

IN THE

**Legislative Assembly of Alberta**

ON MOVING THE HOUSE INTO COMMITTEE OF SUPPLY

ALSO STATEMENT OF  
FINANCIAL AND GENERAL INFORMATION

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## BUDGET SPEECH

THE HON. ERNEST C. MANNING

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Mr. Speaker:

Once again it is my responsibility to move that you do now leave the Chair and that this Assembly resolve itself into a Committee of Supply for the consideration of sums to be granted to Her Majesty.

The examination of Government fiscal policy and the appropriation of the funds which determine the nature and extent of public services are among the most important responsibilities devolving on the elected representatives of the people. It is, therefore, of the utmost importance that all honorable Members and the public generally be fully informed as to the sources and extent of the revenues available and the purposes for which it is proposed those revenues should be expended. Particularly is this true so long as Provincial Governments are prevented by constitutional restrictions from effectively controlling their own money and credit and are forced to finance all public services with revenue which first must be extracted from the people themselves by various forms of taxation.

We, in this Province, thus far have been thwarted in our efforts to secure effective control of our own credit resources but we have been fortunate in the very substantial sums of public revenue obtained from the development of our vast natural resources under policies which have secured for all our people a generous share of the proceeds accruing from that development.

The Budget I am privileged to present tonight far exceeds in both revenues and expenditures any previous Budget in the history of this Province. It forecasts over-all receipts amounting to \$116,856,270, an increase of \$22,633,180 over the previous year. It anticipates over-all net expenditures, including statutory payments, of \$123,576,970, an increase of \$14,607,360 over the estimated expenditures for 1951.

It reflects in both receipts and disbursements the tremendous growth and development currently taking place in our provincial economy and the increased costs involved in providing the expanded public services necessary to assure continued progress and meet the collective needs of our people as a whole.

In order that honorable Members and the public generally may more easily appraise the over-all scope of the budgetary proposals and satisfy themselves as to whether each of the various services is receiving a proper proportion of the money to be spent, I have prepared the following condensed summary of the total expenditures proposed and the percentage of the net total allocated to each of the major public services for which provision is made.

1952-53 Estimates	Less Reimburse- ments not included in				Net Total	Percentage
	Income Account	Capital Account	Total	Revenue		
Public Debt.....	\$ 5,603,760	.....	\$ 5,603,760	\$ 885,000	\$ 4,718,760	3.82%
Executive Council and Legislation.....	1,441,220	.....	1,441,220	.....	1,441,220	1.17
Agriculture and Water Resources.....	2,423,075	\$ 4,698,160	7,121,235	116,220	7,005,015	5.67
Attorney General.....	2,490,235	.....	2,490,235	.....	2,490,235	2.02
Education and Vocational Training.....	16,833,230	1,628,000	18,461,230	540,850	17,920,380	14.50
Municipal Affairs.....	859,310	.....	859,310	234,500	624,810	.51
Provincial Secretary.....	574,120	.....	574,120	26,800	547,320	.44
Public Health.....	14,421,580	2,369,400	16,790,980	1,953,700	14,837,280	12.01
Public Welfare.....	11,985,170	257,900	12,243,070	3,334,400	8,908,670	7.21
Public Works, Railways and Telephones.....	2,824,015	3,973,825	6,797,840	5,700	6,792,140	5.50
Treasury Department.....	8,100,000	25,000	8,125,000	.....	8,125,000	6.57
Industries and Labour, Economic Affairs.....	1,238,495	10,000	1,248,495	.....	1,248,495	1.01
Lands and Forests, Mines and Minerals.....	3,207,650	2,241,670	5,449,320	1,500,000	3,949,320	3.20
Highways and District Roads.....	8,309,855	24,983,970	33,293,825	325,500	32,968,325	26.67
Total Estimates.....	\$80,311,715	\$40,187,925	\$120,499,640	\$8,922,670	\$111,576,970	
<b>LOANS</b>						
Treasury Dept., Self-Liquidating Projects Act.....	.....	\$ 5,000,000	\$ 5,000,000	.....	\$ 5,000,000	4.04%
Railways and Telephones, Alberta Gov. Telephones.....	.....	7,000,000	7,000,000	.....	7,000,000	5.66
Total Loans.....	.....	\$12,000,000	\$12,000,000	.....	\$12,000,000	
Total.....	\$80,311,715	\$52,187,925	\$132,499,640	\$8,922,670	\$123,576,970	100%

Before dealing in greater detail with the specific items of revenue and expenditure, may I review briefly the more important factors which relate to the over-all status of our provincial economy.

## AGRICULTURE

The estimated value of agricultural products in 1951 is \$752,710,000, an increase of \$190,874,000 over the previous year.

Notwithstanding adverse weather conditions which retarded growth and interfered seriously with harvest operations, the total production of grain is estimated at 387,613,000 bushels, valued at \$444,060,000, as compared with 250,183,000 bushels valued at \$301,048,000 in 1950. Fodder crops increased from 2,186,000 tons to 3,661,000 tons and in value from \$32,995,000 to \$52,704,000 as compared with the previous year while sugar beets and potato crops, amounting to 2,351,400 tons, valued at \$11,552,000, showed a decrease of \$1,536,000 as compared with the value of these products in 1950.

Livestock marketings totalled 478,309 cattle and calves; 92,764 sheep and lambs; and 958,143 hogs, valued at \$166,307,000, an increase of \$13,950,000 over the previous year.

Dairy products valued at \$44,182,000 show an increase of \$4,738,000, while poultry products, valued at \$25,700,000 increased by \$5,434,000 over 1950.

The 1951 levels of agricultural production throughout the world varied considerably with North America showing the greatest increase with production now about 50% above pre-war levels. Smaller gains have been made in Latin America, Africa and Australia. In the Far East and Europe, present agricultural production is only slightly higher than in the pre-war period.

Indications are that the demand for agricultural products will remain generally high throughout 1952. While some price fluctuations are indicated, the general price level should be equal to, if not higher than, the 1951 average. Livestock producers particularly would be well advised not to permit occasional temporary price fluctuations to induce premature marketing.

The recent outbreak of foot and mouth disease in a neighboring Province and the subsequent bans imposed by the United States and four Canadian Provinces will adversely affect the livestock industry, at least temporarily.

If the epidemic is brought under effective control at an early date, the situation should improve steadily during the latter months of the year.

## WATER RESOURCES AND POWER DEVELOPMENT

In July of last year, the St. Mary's Irrigation Dam was completed by the Government of Canada. Under the terms of the Dominion-Provincial agreement covering this development project, the Province of Alberta, this year, will spend approximately \$3,750,000 on the construction of distribution canals, purchase of materials and right-of-way and arrangements for colonization. This project, ultimately, will provide irrigation to some 380,000 acres of semi-arid land.

Assistance on a smaller scale has been extended to the Macleod Irrigation District at Macleod, the Ross Creek Irrigation District at Medicine Hat, and for river control at High River.

The Heart River project, near McLennan, was completed during the year and the benefits already are apparent.

Further studies are being made relative to the ultimate development of the Saskatchewan River for the maximum benefit of the three Prairie Provinces.

The Government of Canada has purchased the assets of the Canada Land and Irrigation Company and has commenced work on the extension and enlargement of the main canals. The Province of Alberta will actively co-operate in the development of this major project that will bring some 125,000 additional acres of land under irrigation.

Important problems relating to the allocation of the international waters of the Waterton and Belly Rivers have been under study by a joint commission during the year and a satisfactory settlement is anticipated in the near future.

The continued increase in the demands for hydro-electric power has been under review during the year. The potentialities of the Athabasca River in this respect are being fully investigated.

The Spray Lakes hydro-electric power project, built at a cost of \$12,000,000, was completed and put into operation during the year, increasing the Province's available supply of electrical energy by some 88,600 H.P.

## NATURAL RESOURCES

During the year new records were established in all phases of Alberta's oil and natural gas development. Oil production was increased, markets were extended, additional transportation facilities were provided and important new industries were established to utilize the raw materials provided by crude oil and natural gas.

Production of crude oil was 45,915,384 barrels, valued at \$116,819,-581, as compared with 27,149,232 barrels, valued at \$80,568,178 in the previous year. Footage drilled totalled 5,562,665 feet, an increase of 1,232,467 feet over the previous year. There was a substantial increase in the amount of exploratory drilling. Of the 1,237 wells drilled, 451 were exploratory tests and of these 161 were successes and 290 were dry holes. As at February 15th, 1952, there were 2,818 producing oil wells with a total daily permissive production rate of 245,000 barrels.

The number of active leases on crown lands at December 31st, 1951, totalled 14,330, comprising 9,116,143 acres. At December 31st, 1950, the number of active leases was 9,351, totalling 5,769,336 acres.

During the year, the number of reservations of crown lands increased from 502 to 699, with the area involved increasing from 37,123,411 to 48,261,209 acres. By the end of 1951, the total acreage of crown and privately owned oil rights under exploration and development was approximately 73,000,000 acres as compared with 59,000,000 acres at the beginning of the year. These figures indicate the continued increase in geophysical exploration and exploratory drilling.

A substantial increase in the amount of natural gas exploration and development work was recorded during the past year. In addition

to important discoveries in the Peace River region, many new gas wells in widely scattered areas throughout the Province have been drilled to gas bearing formations and have been capped pending the availability of a market for the gas. At least two of these discovery wells have indicated the occurrence of hydrogen sulphide in sufficient quantity to make the commercial recovery of raw sulphur feasible when a market is provided for the processed gas. Plants for the recovery of this scarce and vital chemical now are being erected at Turner Valley and Jumping Pound.

Lack of adequate markets for the vast quantities of residue gas thus far has prevented large scale recovery of sulphur from the highly productive Pincher Creek gas field.

During the year, a gas processing plant for the recovery of natural gasoline went into operation at Jumping Pound and the gas conservation project at the Leduc oil field completed its first full year of operation. Gas processed totalled 4,617,624 mcf. Recovery consisted of 43,597 barrels of natural gasoline, 143,175 barrels of propane and 84,527 barrels of butane. Propane and butane, in addition to being valuable as fuel, are essential raw materials for petrochemical industries, typical of which is the fifty million dollar plant being erected near Edmonton by the Canadian Chemical Company Limited.

In addition to these liquid petroleum gases from the Leduc field, this plant will utilize residual gases from the three oil refineries in the vicinity. Ethane, another component of Leduc natural gas, will be the basic raw material of a plant to be erected by Canadian Industries Limited for the production of a very versatile plastic, known as polythene, which is available in Canada today only as an imported product.

Great strides were made in 1951 in expanding the market for Alberta oil. The first crude oil from this Province was delivered to Ontario refineries by the Interprovincial Pipe Line last April. At the present time, the maximum flow out of Edmonton is approximately 95,000 barrels a day and the maximum lakehead delivery capacity is 70,000 per day. Additional pumping stations now being constructed and the looping of sections of the line will raise the flow out of Edmonton to 145,000 barrels per day and the delivery at the Superior terminal to 95,000 barrels daily for the opening of navigation in 1953. Additional storage facilities enroute and at the terminal will partially offset the curtailment of navigation on the Great Lakes during the winter months.

Even with the increased capacity of the pipe line to the Great Lakes, Alberta's potential oil production will be considerably in excess of the demands of the available markets. In December last, the industry announced its decision to construct an additional 24-inch oil pipe line to the Pacific Coast. The preliminary construction work already is under way and it is expected that this line will go into operation early in 1954 with an initial capacity of 75,000 barrels per day. The through-put of this line can be further increased by the construction of additional pumping stations as production increases and the western market expands.

The certainty of expanded markets in 1953 and 1954 has given an added incentive to the extensive exploration and development program in Alberta and which already is second only to Texas on this

continent. It is anticipated that, in the ensuing year, the industry's investment in the exploration and development of our oil and gas resources will be considerably in excess of the \$200,000,000 spent in 1951.

Production of coal in Alberta in 1951 dropped to 7,661,276 tons from the 1950 total of 8,118,206 tons, a decrease of over 450,000 tons. Coal production in 1951 was valued at \$41,000,953 as compared with \$41,631,579 the previous year. Sub-surface mines were most affected by the reduction in output.

New processes for the utilization of coal must be developed and utilized if the downward trend in production is to be halted and the future of the industry made secure. The manufacture of fabri-coal was introduced into the Province at Big Valley during the past year. This new fuel is manufactured by driving the moisture out of the coal, binding it with asphalt obtained from the Lloydminster oil field, and then using an extrusion process that represents the first successful extrusion of a non-compressible material. The product is marketed in a form that has the shape and size of a brick, making it easy to handle and with the added advantage of being clean and improving with age. The heat content of fabri-coal is 10,000 b.t.u. per pound as compared with 8,800 b.t.u. per pound for the same coal in its natural state. It is hoped that additional experimentation with this new process will still further increase the b.t.u. content.

Salt production during 1951 totalled 19,581 tons, valued at \$599,-820. Approximately 12% of Alberta's refined salt is sold for table use, 45% has agricultural markets and 43% is used by other industries.

The total value of lumber, ties and pulp-wood products produced during 1951 has been estimated at \$15,900,000 as compared with \$13,790,700 for the year 1950, an increase of \$2,109,300.

Fur production during the year was valued at \$5,280,952 and fish accounted for an additional \$652,000.

Since the transfer of our natural resources to the jurisdiction of the Province in 1930, nearly 4,900,000 acres of land have been patented, most of which has been taken up by homesteaders. Additional land is being made available as rapidly as the necessary surveys can be completed.

## INDUSTRIAL DEVELOPMENT

The year 1951 showed tremendous strides in industrial development. Industrial buildings, completed or commenced, totalled approximately \$65,000,000 while construction already approved for 1952 is in excess of \$42,000,000.

During the year, 15 new manufacturing industries were established in the Province, involving capital expenditures in excess of \$96,500,000. These industries will create direct employment for approximately 2,800 people and indirectly will provide employment for many more.

There were 750 Alberta Companies, representing an authorized capital of \$176,572,000, incorporated during 1951 and 211 extra provincial companies were registered.



The value of production from Alberta's manufacturing and processing industries was approximately \$422,000,000, an increase of \$33,000,000 as compared with the previous year. There are indications that the expansion of existing industries and the establishment of important new industries will continue at an accelerated pace throughout 1952.

In keeping with the Government's policy of encouraging and assisting new industries, 33 industrial loans, totalling \$4,116,600 have been made to date by the Alberta Industrial Corporation. Net repayments of \$1,701,776 have been received, leaving a balance of \$2,414,824 outstanding as at December 31st.

The balance sheet of the Corporation shows total assets of \$2,414,840.00 as against liabilities of \$2,330,500, showing a surplus of \$84,339, of which amount \$80,000 has been provided as a reserve for doubtful loans.

### CO-OPERATIVE ACTIVITIES

As at December 31st, 1951, there were 461 Co-operative Associations actively in operation as compared with 395 at December 31st, 1950.

Rural Electrification Co-operative Associations have been particularly active and increased from 125 to 180 during the last calendar year. Through these Associations, approximately 13,740 farms have been provided with electric power up to December 31st, 1951.

The Province has guaranteed loans totalling \$3,352,800 to assist in the installation of these rural power lines and this assistance will be continued throughout the ensuing year.

Membership in Credit Unions throughout the Province increased from 27,951 to 28,455 during the past year. One hundred and ninety Credit Unions are now in operation with assets of \$5,033,597.

### ALBERTA HAIL INSURANCE BOARD

The Alberta Hail Insurance Board last year recorded the largest volume of business ever written by any one Hail Insurance organization in the history of the Province.

During the year, 3,857,123 acres of crops were insured by 21,200 farmers at a premium cost totalling \$2,331,780, representing an average cost of 60½¢ per acre. The risk liability assumed by the Board amounted to \$29,493,568.

During the year, claims totalling \$2,149,052 were paid on 552,139 acres of crop. Owing to the extensive hail damage throughout the Province during the year, the premium income was insufficient to meet expenditures by approximately \$200,000. This amount was paid out of the Board's reserve fund which now stands at \$1,960,000.

Collections have been most satisfactory with all premiums paid in full to December 31st, 1950. As at December 31st, 1951, outstanding premiums on the current year's business amounted to \$140,000. This is accounted for by the fact that over 30% of grain crops throughout the Province are still unthreshed. It is expected that these arrears will be paid in full when delayed harvesting can be completed in the spring.

### TREASURY BRANCHES

The volume of business conducted through the Provincial Treasury Branches showed a substantial increase during the past year. As at December 31st, 1951, deposits by the public totalled \$32,030,139 and represented 56,502 depositors. Outstanding loans at the same date amounted to \$18,555,917, inclusive of loans to School Divisions, Municipalities, Co-operative Associations and other guaranteed accounts, amounting to \$2,729,031.

Investments from the Depositors Reserve Trust Account in Dominion of Canada bonds, totalled \$13,300,000 and cash holdings amounted to \$2,032,193.

Revenues for the past fiscal year exceeded expenditures by \$76,276 and of this amount \$71,612 was transferred to the Reserve Fund for Bad and Doubtful Debts, making total credits to the fund of \$200,112. Charges against the Reserve Fund, less subsequent recoveries, amount to \$84,383, leaving a balance in the Fund as at March 31st, 1951, of \$115,729.

Forty-five branches, 14 sub-branches and 106 agencies, with a staff of 346, were in operation as at December 31st, 1951.

### CIVIL DEFENCE

Under prevailing world conditions, the matter of providing for civil defence is a grave responsibility which must be assumed by Governments at all levels and by each individual citizen.

I mentioned in the Budget Address of last year that the immediate objective of the Province in this respect was the establishment and training of a simple, well co-ordinated and intelligently directed volunteer civil defence organization that will give our people some measure of assurance in the light of the present international situation and a real measure of protection in the event of any emergency. Substantial progress to that end has been made during the past year.

A provincial headquarters building and staff has been established in Edmonton and effective local volunteer civil defence organizations have been set up in 76 municipalities, including 6 cities and 30 towns.

Good progress has been made in training instructors in civil defence work and it is hoped that at least one trained instructor will be available for each municipality in the Province during the ensuing year.

Provision is made in this year's estimates for a province-wide program to standardize fire-fighting equipment as an important step towards mutual aid in the event of any emergency.

### PUBLIC ACCOUNTS

The Public Accounts for the fiscal year ended March 31st, 1951, have been tabled and released to the press. The statements on Revenues and Expenditures show an over-all surplus on Income, Capital and Statutory Accounts totalling \$24,102,009. Against this surplus, however, must be offset net funds required under the 1945 debt re-organi-

zation program and the 1950 debt refunding plan amounting to \$17,760,901, leaving a net balance of \$6,341,108.

The fact that the Province was able to complete the year's operations with this substantial surplus, despite greatly increased expenditures for social services and capital construction is further evidence of the benefits accruing to all our people through the development of our natural resources and the careful administration of public affairs.

### CURRENT FISCAL YEAR—1951-52

The Provincial Auditor's interim financial statement for the first nine months of the current fiscal year has been made available to the honorable Members of this Assembly.

It will be noted from the interim statement that the over-all cash surplus on Income, Capital and Statutory Accounts for the nine months' period ended December 31st, 1951, amount to \$2,661,501. Based on present forecasts, it is anticipated that this surplus will exceed \$3,500,000 by the end of the present fiscal year on March 31st, 1952.

### PUBLIC DEBT

During the last fiscal year, the Public Debt of the Province was reduced by \$18,770,556. The following statement shows the Public Debt at March 31st, 1951, as compared to March 31st, 1950:

	Public Debt March 31 1951	Public Debt March 31 1950
Funded Debt .....	\$100,596,538	\$121,165,894
Guaranteed Debenture Debt .....	26,000	32,000
Unfunded Debt .....	11,207,594	9,402,794
	<u>\$111,830,132</u>	<u>\$130,600,688</u>

It will be noted from these figures that the substantial reduction of over \$20,000,000 in the funded debt was offset to some extent by an increase of \$1,804,800 in the unfunded debt which at March 31st, 1951 consisted of:

Civil Service Pension Fund .....	\$ 7,807,657
Savings Certificates .....	652,724
Accounts Payable .....	2,707,391
Miscellaneous .....	39,822
	<u>\$11,207,594</u>

An amendment to the Public Service Pension Act, passed at the last session, placed the Pension Fund on a pay-as-you-go basis and eliminated the Pension Fund liability from the unfunded debt. Receipts and payments on the Pension Fund now will be included annually in the Income section of the Budget. As a result of this and the retirement of accounts payable, the unfunded debt was reduced by \$10,695,544 during the first nine months of the present fiscal year and amounted to \$512,050 as at December 31st, 1951. During the same nine months' period, the funded debt of the Province was reduced by \$2,853,050, which includes the redemption on June 1st, 1951, of \$2,266,000 of U.S. and Canadian pay debentures. This was the first maturity of the two pay non-callable serial debentures issued to finance our 1945 debt re-organization program.

For the information of honorable Members and the public generally, the following statement shows the exact position of the public debt of the Province at the end of each fiscal year, commencing with March 31st, 1936, and also the position as at December 31st, 1951:

	Net Funded Debt	Net Guaranteed Debenture Debt	Unfunded Debt	Total Debt
March 31, 1936.....	\$142,941,031	\$ 5,672,358	\$ 18,413,755	\$167,027,144
March 31, 1937.....	143,487,203	5,165,775	17,051,783	165,704,761
March 31, 1938.....	143,573,130	5,121,144	15,708,842	164,403,116
March 31, 1939.....	143,412,253	5,054,404	15,386,741	163,853,398
March 31, 1940.....	142,926,186	5,002,516	8,573,071	156,501,773
March 31, 1941.....	142,189,968	4,803,388	8,247,815	155,241,171
March 31, 1942.....	141,455,384	4,595,336	7,892,859	153,943,579
March 31, 1943.....	140,534,443	4,380,217	7,696,473	152,611,133
March 31, 1944.....	139,589,060	4,158,713	7,531,414	151,279,187
March 31, 1945.....	138,821,431	3,941,644	7,396,744	150,159,819
March 31, 1946.....	140,805,449	282,000	5,414,315	146,501,764
March 31, 1947.....	139,198,970	101,500	5,767,853	145,068,323
March 31, 1948.....	121,447,657	56,500	6,527,020	128,031,177
March 31, 1949.....	120,826,203	38,000	9,034,077	129,898,280
March 31, 1950.....	121,165,894	32,000	9,402,793	130,600,687
March 31, 1951.....	100,596,538	26,000	11,207,594	111,830,132
December 31, 1951.....	97,742,488	4,000	512,050	98,258,538

It will be noted from these figures that there has been a net reduction in the Public Debt of the Province of \$68,768,606 from March 31st, 1936, to December 31st, 1951. For the first time in over twenty years the total Public Debt of the Province now stands at less than \$100,000,000.

As against the remaining debt of \$98,258,538 the Province has in cash surpluses and investments, exclusive of miscellaneous advances and loans to government departments and Municipalities, approximately \$72,000,000, leaving a difference of less than \$27,000,000 between these accumulated financial reserves and the total remaining Public Debt. All of the unmatured funded debt is organized on a serialized basis at low rates of interest and with provision for annual retirements of principal under a schedule which, if adhered to, will make the Province entirely debt free by the year 1973.

To carry out this debt retirement schedule, it will require for the annual payment of both interest and principal less than 5% of the Province's revenue on Income Account on the basis of the estimated revenue for the ensuing year. This compares with approximately 51% of the net revenue on Income Account required to pay the interest charges alone in 1936. The debt retirement program may be accelerated if at a later date it proves to be in the public interest to exercise the call feature contained in over 73% of the remaining unmatured funded debt.

## ESTIMATES

### Fiscal Year Ending March 31, 1953

May I now direct the attention of the Assembly to the estimated Revenues and Expenditures for the fiscal year ending March 31st, 1953. In order to facilitate a complete and careful examination of the Revenues and Expenditures proposed, detailed estimates have been

tabled and made available to all honorable Members. Revenues and Expenditures on both Income and Capital Accounts have been included in order to arrive at our over-all budgetary requirements.

These may be briefly summarized as follows:

Estimated Revenue—Income Account .....	\$112,619,370	
Estimated Receipts—Capital Account .....	4,236,900	
Total Revenue .....		\$116,856,270
Estimated Expenditure—Income Account .....	72,889,045	
Estimated Payments—Capital Account .....	43,687,925	
Total Expenditures .....		116,576,970
Estimated Surplus on Income and Capital Accounts	\$	279,300

In the following table the estimated revenue on Income Account is shown by departments and is compared with the estimated revenue for the current fiscal year.

#### REVENUE INCOME ACCOUNT

Department	Estimates 1952-1953	Estimates 1951-1952	Increase	Decrease
Executive Council .....	\$ 863,200	11,065	\$ 863,200	
Legislation .....	11,065	11,065		
Agriculture .....	392,455	337,300	55,155	
Agriculture (Water Resources) .....	40,000	22,000	18,000	
Attorney General .....	2,239,000	1,904,050	334,950	
Education .....	193,600	180,000	13,600	
Municipal Affairs .....	44,700	43,000	1,700	
Provincial Secretary .....	16,502,000	14,518,000	1,984,000	
Public Health .....	950,000	910,450	39,550	
Public Works .....	248,500	222,650	25,850	
Treasury (Government of Canada Subsidies) .....	2,125,000	2,063,000	62,000	
Treasury (Tax Agreement) .....	25,100,000	20,100,000	5,000,000	
Treasury .....	16,265,750	15,205,000	1,060,750	
Industries and Labour .....	150,200	250,000		\$ 99,800
Public Welfare .....	155,800	107,900	47,900	
Economic Affairs .....	1,000	1,000		
Lands and Forests .....	5,000,000	3,721,000	1,279,000	
Mines and Minerals .....	38,300,000	25,907,000	12,393,000	
Highways .....	4,037,100	3,588,575	448,525	
	\$112,619,370	\$89,091,990	\$23,627,180	\$99,800

A net Increase of \$23,527,380

#### REVENUE

Honorable Members will note that this substantial increase in revenue will accrue to the Public Treasury without the imposition of any new forms of taxation. The increase is attributable to the continued expansion of our provincial economy and the progressive development of our vast natural resources by individual enterprise but under government policies which secure for the people as a whole a fair share of the returns accruing from such development. Increased population also has been an important factor together with the accelerated expansion of both primary and secondary industry.

The largest increases are anticipated in the Department of Mines and Minerals where revenues are expected to total \$38,300,000, an increase of \$12,393,000 over the \$25,907,000 estimated for last year. The sale of Crown reserves again is expected to produce \$12,000,000

while income from oil royalties is estimated at \$10,300,000, an increase of \$5,300,000 over last year.

Revenues from fees and oil lease rentals are forecast at \$12,500,000, which is \$6,500,000 in excess of the estimates for 1951.

Other natural resources under the supervision of the Department of Lands and Forests are expected to provide \$5,000,000, which is an increase of \$1,279,000 over the current year. This increase mainly is accounted for by an additional \$850,000 from timber rentals and fees.

It is estimated that under a new and revised Tax Rental Agreement with the Government of Canada, revenues from this source for the ensuing year will total \$27,225,000, an increase of \$5,062,000 over the amount payable to the Province under the old agreement which expires March 31st, 1952. While there are no fundamental changes in the proposed new agreement, the increased population of Alberta and the over-all increase in the gross national product mainly are responsible for the increased revenue. An important feature in the proposed new agreement is a substantial upward revision of the guaranteed minimum payable to the Province in any fiscal year. In the case of Alberta, this guaranteed minimum is increased from \$14,228,000 to \$20,914,094.

Revenues from the Provincial Secretary's Department are expected to total \$16,502,000, which is an increase of \$1,984,000 over last year. Of this amount \$1,250,000 represents increased receipts under the Fuel Oil Tax Act and \$450,000 from ownership certificates under the Vehicles and Highway Traffic Act. This is due, entirely, to the increased number of motor vehicles in operation throughout the Province. An increase of \$176,400 is anticipated under the Amusements Tax Act.

In the Department of Highways, an increase of \$350,000 is expected from certificate fees for trucks and trailers under the Highway Traffic Act, due to the larger number of trucks and trailers in operation.

In the Treasury Department estimates an increase of \$500,000 is anticipated in receipts from the Alberta Liquor Control Board while earnings from the investment of surplus funds are expected to yield an additional \$350,000.

In the Attorney General's Department, fees collected under the Land Titles Act show an increase of \$225,000 over last year.

Grants from the Government of Canada for health services and hospital construction are expected to be \$227,075 in excess of last year's estimates.

The following table summarizes the main sources of provincial revenue on Income Account and indicates the percentage of revenue from each source on a comparative basis during the last four fiscal years.

	Actual 1949-50	Actual 1950-51	Estimated 1951-52	Estimated 1952-53
Tax Transfer Agreement .....	18.94%	17.07%	24.88%	24.17%
Fuel Oil Tax, Car and Truck Licenses .....	17.41	15.22	19.06	17.02
Liquor Board Profits .....	13.06	10.21	12.90	10.66
Natural Resources .....	41.45	41.73	33.25	38.45
All other sources .....	9.14	15.77	9.91	9.70
	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

It will be noted in this table that actual percentages are used for the fiscal years 1949-50 and 1950-51, while estimated receipts are used for the present uncompleted fiscal year of 1951-52 and for the coming year 1952-53.

### EXPENDITURE—Income Account

The total expenditures on Income Account are estimated at \$72,889,045 as compared with \$61,516,837 for the current fiscal year, an increase of \$11,372,208.

The following table shows the estimated expenditure by departments and for comparative purposes I have shown also the estimated expenditure for the present fiscal year.

#### EXPENDITURE—INCOME ACCOUNT

Department	Estimates 1952-1953	Estimates 1951-1952	Increase	Decrease	Percentage
Public Debt Service Charges.....	\$ 2,136,760	\$ 2,642,100		\$505,340	2.93%
Executive Council.....	998,290	776,747	\$ 221,543		1.37
Legislation.....	442,930	419,110	23,820		.61
Agriculture.....	2,189,675	1,808,185	381,490		3.00
Agriculture (Water Resources).....	117,180	104,170	13,010		.16
Attorney General.....	2,490,235	2,032,775	457,460		3.42
Education.....	15,906,080	12,672,000	3,234,080		21.82
Municipal Affairs.....	624,810	416,470	208,340		.86
Provincial Secretary.....	547,320	431,585	115,735		.75
Public Health.....	12,467,880	10,209,135	2,258,745		17.10
Public Works.....	2,795,925	2,362,433	433,492		3.84
Railways and Telephones (Railways)	22,390	25,695		3,305	.03
Treasury.....	8,100,000	6,356,329	1,743,671		11.12
Industries and Labour.....	724,475	605,020	119,455		.99
Public Welfare.....	8,650,770	7,199,620	1,451,150		11.87
Canadian Vocational Training.....	386,300	342,558	43,742		.53
Economic Affairs.....	514,020	417,925	96,095		.71
Lands and Forests.....	2,465,330	1,887,240	578,090		3.38
Mines and Minerals.....	742,320	645,145	97,175		1.02
Highways.....	7,984,355	7,638,595	345,760		10.95
Total Ordinary Expenditure.....	\$70,307,045	\$58,692,837	\$11,822,853	\$508,645	96.46%
Debt Retirement.....	2,582,000	2,524,000	58,000		3.51
Total Expenditure.....	\$72,889,045	\$61,516,837	\$11,880,853	\$508,645	100%

Before dealing with the major expenditures by departments, may I refer to several important factors which will affect substantially the expenditures proposed on Income Account during the ensuing year:

(1) In previous years, the substantial sums allocated for loans to Municipalities under the Self Liquidating Projects Act and for aid to School Districts under the School Borrowings Assistance Act have been approved by statute. For the ensuing year, the appropriations for these purposes totalling \$7,000,000 have been included in the budget. It is felt this arrangement will give honorable Members and the public generally a more complete picture of the over-all expenditures for which the Province must make provision, including the substantial measure of financial assistance which Municipalities and School Districts are receiving from the Public Treasury under these Acts.

The only remaining statutory appropriation is an amount of \$7,000,000 which it is proposed to advance to the Department of Railways and Telephones for capital expenditures necessary to meet the growing need for a greatly expanded provincial telephone system. This loan will bear interest at the rate of 3% and will be repayable to the general revenue fund of the Province in annual payments extended over a period of 25 years. Inasmuch as this is an internal arrangement within departments of government, it properly belongs in the category of a statutory appropriation.

No change is proposed in the terms of the Self Liquidating Projects Act for which the sum of \$5,000,000 is provided in the estimates for the ensuing year.

Honorable Members will be asked to approve a new School Buildings Assistance Act replacing the present School Borrowings Assistance Act and increasing provincial grants to School Districts for capital construction to 25% of approved borrowings. The present provision for interest-free loans up to 10% of the District's approved capital borrowings will be replaced by a new provision under which the Provincial Treasurer will be authorized to purchase for the School Lands Trust Fund school debentures up to 25% of the total cost of approved capital construction. These arrangements will enable the Province to take care of 50% of the total approved capital funds required for the construction of schools. The remaining 50% will be obtained by the sale of school debentures on the open market and the province will continue its policy of guaranteeing the interest on these debentures.

(2) The second major change proposed is in the program of financial aid to Municipalities under the terms of the Municipal Assistance Act. Honorable Members will be asked to approve an amendment increasing from 4c a gallon to 50% of the net receipts, the portion of revenue collected under the Fuel Oil Tax Act and allocated to the Municipal Assistance Fund. The amendment proposed together with the increase in the fuel oil tax revenue due to the larger number of motor vehicles in operation will increase the amount accruing to the Municipal Assistance Fund by \$1,326,122, bringing to \$5,991,151 the total amount to be distributed to Municipalities under the Act during the ensuing year.

Two important amendments affecting the distribution of the fund will be recommended to the Assembly. The first will add to the present provisions of the Act a new unconditional equalization grant payable under a formula which will recognize, in addition to assessment, a number of other factors such as population, area, etc. The formula will be so designed that all Municipalities will participate in the equalization grants but with the greatest measure of assistance going to those Municipalities whose circumstances justify provincial aid in excess of what they can obtain under a formula that uses assessment as the only factor in determining the amount for which they qualify.

It is proposed to allocate for distribution as equalization grants 20% of the total amount accruing to the Municipal Assistance Fund. For the ensuing year this will amount to \$1,198,230. The balance in the fund, amounting to \$4,792,921, will be distributed under the formula already established in the Act for the payment of unconditional grants and tax reduction subsidies.

The second amendment affecting the distribution of the fund will authorize Municipalities to increase their basic mill rate in proportion



to the increase in the national cost of living index without being disqualified under the sections of the Act which provide for the payment of a tax reduction subsidy.

During the past year, there has been a nation-wide general increase in the cost of goods and services and the Government believes it is only fair that municipal ratepayers should not be deprived of the benefit of the tax reduction subsidies by reason of an adjustment in mill rate made necessary by increased costs beyond the power of the Municipal Councils to control. The actual increase in the national cost of living index during the last calendar year was 10.78%. Under the amendment proposed, any Municipality that does not increase its basic mill rate more than 10.78% above the rate established for the year 1951 will be eligible for the tax reduction subsidy authorized by the Act provided the Municipality passes the benefit on to the individual taxpayer.

It should be emphasized that the tax reduction subsidy is not a conditional grant to the treasury of a Municipality. The revenue of a Municipality is neither increased or decreased by reason of the tax reduction subsidies payable under the Act. The subsidy is from the Provincial Treasury, through the Municipality, to the individual taxpayer in the form of an actual reduction in the mill rate of taxation below that which he otherwise would be required to pay.

By permitting an adjustment of the basic mill rates on the basis proposed, it is hoped that all Municipalities, including the Cities, will secure for their ratepayers the full advantage of the tax reduction subsidy provided under the Act.

Turning now to the anticipated expenditures by departments on Income Account, the largest over-all appropriation again is for the Department of Education, which has been allocated \$15,906,080, an increase of \$3,234,080 over the amount provided in the budget last year. This total includes the sum of \$2,000,000 to provide for capital construction grants under the new proposed School Buildings Assistance Act to which I already have referred.

Grants to schools have been increased by \$1,000,000 and will now total \$9,870,000, while the sum of \$565,000 is provided as a contribution from the provincial revenue to the Teachers Retirement Fund.

The Department of Public Health has been allocated \$12,467,880, an increase of \$2,258,745 over the amount appropriated last year. This increase is due to the Government's policy of progressively expanding its program of subsidized hospital and medical services, including greater aid to hospitals and local authorities to offset increased operating costs.

For the information of the honorable Members, the following summary indicates the major public health services and the estimated expenditures in comparison with those of last year.

Service	1952-53	1951-52	Increase or Decrease x
Tuberculosis Treatment . . . . .	\$ 1,572,300	\$ 1,352,500	\$ 220,300
Cancer Treatment (Net) . . . . .	251,160	134,350	66,810
Maternity Hospitalization . . . . .	1,200,500	950,500	250,000
Mental Institutions . . . . .	3,559,100	2,964,250	594,850
Hospital & Medical Services for Pensioners . . . . .	1,451,900	1,182,000	269,900
Grants to Hospitals and Local Authorities for hospitalization . . . . .	2,606,400	1,954,700	651,700
Public Health Laboratory . . . . .	279,500	150,500	129,000
Hospital Construction Grants (Net) . . . . .	500,000	500,000	
Other Health Services . . . . .	1,046,520	970,335	76,185
	<u>\$12,467,880</u>	<u>\$10,209,135</u>	<u>\$ 2,258,745</u>

In addition, the sum of \$1,100,000 is allocated for the health services extension program. This is an increase of \$100,000 over the amount provided last year, and will be reimbursed by the Government of Canada.

An appropriation of \$1,000,000 has been provided for hospital construction grants. The Government of Canada will reimburse the Province 50% of this expenditure.

Net appropriations for the Department of Public Welfare amount to \$8,650,770, which is an increase of \$1,451,150 over the current year's estimate.

The main items accounting for this increase are as follows:

Service	1952-53	1951-52	Increase or Decrease x
Old Age Assistance and Blind Pensioners (Net) ....	\$ 5,532,400	\$ 4,415,200	\$ 1,117,200
Rosehaven Home for Aged .....	239,400	192,500	46,900
Mothers' Allowance and Child Welfare (Net) .....	1,129,600	1,063,840	65,760
Widows' Pensions .....	230,000		230,000
Grants to Municipalities, Indigent and Child Welfare .....	716,000	801,000	85,000x
Other Services .....	753,370	727,080	26,290
	<u>\$ 8,650,770</u>	<u>\$ 7,199,620</u>	<u>\$ 1,451,150</u>

You will note a new appropriation of \$280,000 is provided for payment of widows' pensions for widows between the ages of 60 and 65 years who qualify under the terms of the Old Age Assistance Act.

The combined appropriations for the Departments of Public Health and Public Welfare total \$21,118,650, an increase of \$3,709,895 over the aggregate amount provided for these departments last year. The appropriations for this expanded program of social services will represent approximately 29% of total provincial expenditures on Income Account during the ensuing year.

In the Department of Highways, the sum of \$2,200,000 is provided for the maintenance of main highways and an amount of \$1,100,000 for the repair and maintenance of bridges. This is an increase of \$250,000 over the estimates for the current fiscal year.

Net grants amounting to \$3,880,000 are provided to assist Municipalities in the construction and maintenance of local and district roads.

The sum of \$2,189,675 is allocated to the Department of Agriculture. This is an increase of \$381,490 over the amount provided for the current fiscal year and reflects the Government's policy of expanding progressively its program of agricultural assistance, including an extension of the valuable services rendered by district agriculturists.

Estimated expenditures by the Attorney General's Department total \$2,490,235, an increase of \$457,460 over last year. This includes \$92,305 for the operation of the new Bowden Institute and \$80,920 for the new Juvenile Offenders Probation Branch now being established.

Included in the estimates for the Department of Municipal Affairs, you will note an appropriation for civil defence amounting to \$152,800. Of this amount \$60,000 will be required for the standardization of fire fighting equipment throughout the Province.

The appropriation for the Department of Lands and Forests has been increased from \$1,887,240 to \$2,465,330, indicating the expansion necessary for the continued development and conservation of the natural resources administered by the department.

Treasury Department expenditures total \$8,100,000, an increase of \$1,743,671 over the present year. This is due mainly to an increase of \$1,326,122 in the funds provided for grants under the Municipal Assistance Act, to which reference already has been made.

A new appropriation of \$300,000 is provided for the University Hospital and is required in order to maintain the present high standard of hospital treatment and ensure adequate teaching facilities for medical students attending the University of Alberta.

### MUNICIPAL ASSISTANCE

Before leaving the estimated expenditures on Income Account, honorable Members will be interested in the following summary of provincial financial assistance to Municipalities and other local authorities provided for in the estimates for the ensuing year.

1. Education—School grants .....	\$ 9,870,000
Grants to Teachers' Retirement Fund .....	565,000
Capital construction grants under the School Buildings Assistance Act .....	2,000,000
	<u>\$12,435,000</u>
2. Public Health—Grants for hospitalization .....	\$ 2,606,000
Hospital construction grants .....	500,000
Grants for health services .....	58,000
	<u>\$ 3,164,000</u>
3. Highways—Grants for roads in Municipal and Improvement Districts .....	\$ 3,880,000
Grants for bridges .....	800,000
	<u>\$ 4,680,000</u>
4. Treasury Dept.—Grants to Municipalities in lieu of taxation on certain Government Buildings .....	\$ 30,000
Grants under the Municipal Assistance Act .....	5,991,000
	<u>\$ 6,021,000</u>
5. Lands and Forests Department—Increased refunds to Municipalities from grazing leases collected .....	200,000
Total direct financial assistance .....	<u>\$26,500,000</u>

In addition to this direct financial assistance, provision is made for expenditures totalling \$2,587,000 to defray the cost of various Public Welfare services previously the responsibility of local taxpayers but now assumed in whole or in part by the Provincial Government.

These combined appropriations total \$29,087,000, an increase of \$3,396,000 over last year and represent approximately 40% of the total estimated provincial expenditures on Income Account for the ensuing year.

### CAPITAL

The following table indicates total capital receipts estimated at \$4,236,900 which is \$894,200 less than the amount of \$5,131,100 estimated for the current fiscal year:

### Receipts—Capital Account

Department	Estimates 1952-53	Estimates 1951-52	Increase	Decrease
Executive Council		\$ 1,361,400		\$ 1,361,400
Agriculture	\$ 135,000	132,000	\$ 3,000	
Agriculture (Water Resources)	240,100	270,000		29,900
Municipal Affairs	8,000	6,000	2,000	
Public Works	203,000	572,700		369,700
Treasury	1,070,800	650,000	420,800	
Lands and Forests	66,500	136,500		70,000
Highways	2,513,500	2,002,500	511,000	
	<u>\$ 4,236,900</u>	<u>\$ 5,131,100</u>	<u>\$ 936,800</u>	<u>\$ 1,831,000</u>

A net decrease of \$894,200.

The decrease of \$1,361,400 under Executive Council results from the Public Service Pension Fund being placed on a pay-as-you-go basis under Income Account. Under the Department of Highways, recovery of \$2,500,000 is expected from the agreement between the Province and the Government of Canada relating to the construction of the Trans-Canada Highway. Repayments from loans made to municipalities under the Self-Liquidating Projects Act of \$460,000 and repayments on account of loans to the Alberta Government Telephones of \$510,000 account for the increased capital receipts shown in the Treasury Department.

### EXPENDITURES—Capital Account

Payments on Capital Account are estimated at \$43,687,925, an increase of \$11,235,152 over the amount appropriated by the Legislature for the present fiscal year. The allocation by departments is as follows:

Department	Estimates 1952-53	Estimates 1951-52	Increase	Decrease
Executive Council		\$ 540,000		\$ 540,000
Agriculture	\$ 125,000	150,000		25,000
Agriculture (Agriculture Relief)	6,000	6,000		
Agriculture (Water Resources)	4,221,110	3,456,610	\$ 764,500	
Public Works	8,759,725	7,703,975	1,055,750	
Treasury	5,025,000	23,000	4,997,000	
Lands and Forests	557,120	956,540		399,420
Mines and Minerals	10,000	15,000		5,000
Highways	24,983,970	19,596,648	5,387,322	
	<u>\$43,687,925</u>	<u>\$32,452,773</u>	<u>\$12,204,572</u>	<u>\$ 969,420</u>

A net increase of \$11,235,152.

The substantial increase in Capital appropriations reflects the Government's policy of allocating increased revenues accruing from the development of our natural resources to Capital Expenditures which not only benefit our people today but help to ensure the continued further progress and development of the Province as a whole.

An adequate system of provincial highways and district roads is recognized as being necessary to this end and for this reason over 50% of the total Capital appropriations is allocated for the construction of main highways and bridges. The program for the ensuing year will involve an expenditure of \$24,400,000 for highways and bridge construction, including the sum of \$5,000,000 for further work on the Trans-Canada Highway. Of this latter amount, \$2,500,000 will be recovered from the Government of Canada.

The estimates provide \$2,000,000 for the construction of bridges, which is an increase of \$500,000 over the amount appropriated last year.

For the erection of necessary public buildings, an amount of \$7,544,450 is provided and allocated as follows:

To complete the Horticultural Building, Brooks.....	\$ 150,000
To construct a staff building at the Central Alberta Sanatorium, Calgary.....	150,000
To complete two new dormitories and to construct one new dormitory at the Provincial Training School, Red Deer.....	250,000
For the completion of the Administration Building and the construction of an Admission Ward and a Nurses' Home at the Provincial Mental Hospital, Oliver.....	400,000
For the construction of a dormitory and to complete one dormitory at the Provincial Mental Hospital, Ponoka.....	200,000
To construct a new dormitory at the Rosehaven Home, Camrose.....	250,000
To construct a Blood Transfusion Building at Calgary.....	150,000
For the partial construction of an Agricultural Building and an Engineering Building at the University of Alberta.....	750,000
For the construction of the Department of Public Works storage and maintenance shop, garage etc.....	267,000
To complete the new Administration Building, Edmonton.....	600,000
For the construction of Provincial Buildings at Edmonton, Grande Prairie, Peace River and Calgary.....	510,000
For the completion of Court Houses and Land Titles Buildings at Edmonton, Lethbridge.....	625,000
For the construction of cell blocks at Fort Saskatchewan Goal and general construction at the Bowden Institute.....	1,085,000
For the construction of a new Building at the Institute of Technology at Calgary.....	600,000
For miscellaneous construction on Public Buildings throughout the Province.....	1,407,450
	<u>\$ 7,394,450</u>

Appropriations for the Water Resources Branch of the Department of Agriculture have been increased from \$3,456,610 to \$4,221,110. Of this amount, \$3,750,000 is provided for construction work on the St. Mary and Milk River Irrigation Development Projects.

The sum of \$5,000,000 is provided in the Treasury Department for further loans to Municipalities under The Self Liquidating Projects Act.

Referring to the Government's policy of allocating revenue from oil royalties and the sale of Crown reserves to Capital construction and debt retirement, the following summary indicates the amount of revenue received from the development of our oil resources in comparison with the amounts allocated to Capital construction and debt retirement since the year 1948 when this policy was adopted.

#### Revenue from Oil Development:

1948-49 .....	\$ 10,340,000	
1949-50 .....	26,550,000	
1950-51 .....	32,768,000	
1951-52 .....	20,262,000	(Actual to Dec. 31-51)
1952-53 .....	22,300,000	(Estimated)
	<u>\$112,220,000</u>	

#### Expenditure on Capital Construction:

1948-49 .....	\$ 16,790,000	
1949-50 .....	16,757,000	
1950-51 .....	23,326,000	
1951-52 .....	21,242,000	(Actual payments to Dec. 31-51)
1952-53 .....	32,914,000	(Estimate)
	<u>\$111,029,000</u>	
Funded Debt Retirement for same period .....	26,650,000	
	<u>\$137,679,000</u>	

It will be noted that funds allocated for Capital construction and debt retirement during the five-year period amounted to \$137,679,000 and exceeded by \$25,459,000 the revenue received during the same period from the development of our oil resources.

### CONCLUSION

As I intimated at the outset, this budget for the ensuing year establishes new all-time records for this Province both in the revenues it anticipates and in the expenditures for which it provides.

In its preparation the Government has endeavored to maintain a sensible and equitable balance, not only between revenues and expenditures but between social services necessary for the welfare of our people today and capital expenditures essential to the continued progress and development of our Province as a whole. Some, who are out of step with the outstanding progress Alberta already has made, will criticize as excessive various expenditures, particularly in the field of improved social services, for which this budget makes provision. Others, who seek to make our present abnormal revenues particularly from oil development an argument for excessive and irresponsible Government spending, will contend that it does not go far enough. It should be recognized that such arguments are advanced primarily by those whose information is not sufficiently complete to enable them to reach a sound conclusion or by those who seek to exploit the present buoyancy of provincial revenues in the interests of some particular pressure group or to gain some supposed partisan political advantage.

The Government's position is clear and definite. With due regard, at all times, for the welfare of the people as a whole, we propose to expand the annual budgetary provisions progressively and in keeping with the economic development of the Province. On the other hand, the Government does not intend to be influenced or stampeded into irresponsible commitments involving fixed annual expenditures beyond the financial ability of our people to meet within the restrictive framework of the present national monetary system.

To intelligently appraise a provincial budget today, its provisions must be viewed against the background of the economic and financial situation prevailing generally throughout the nation as a whole. In the national sphere it is obvious that the economic security and financial stability of the Canadian people is being seriously threatened at the present time by the inflationary rise in prices which has drastically decreased the buying power of the consuming public and cut in half the actual value of the hard earned savings of our citizens.

As against that somber picture, we enjoy in this country today a high level of employment and a high national income but these facts do not, in any way, solve the problem of those many individuals whose incomes are fixed at comparatively low levels or who, through circumstances beyond their control, are not now gainfully employed. This situation presents a problem that cannot be solved by the mere imposition of arbitrary government controls over certain isolated factors in our national economy. Imposing arbitrary controls in certain spheres merely shifts the incidence of inflation from one section of society to another.

The nature of the problem is such that four fundamental steps are indicated as necessary to its effective solution:

(1) The cost of living should be reduced by Federal Government action to remove from the prices of goods all unnecessary Federal taxes, either direct or indirect. This, in itself, could effect an immediate price reduction ranging from 10 to over 40%, depending on the category of the commodity. To make this financially possible it would be necessary for the Federal Government to augment its treasury funds by expanding the national credit through the Bank of Canada sufficient to offset the loss of tax revenue.

(2) Maximum production, stimulated by the elimination of those forms of taxation which today penalize productive enterprise, should be further encouraged, where necessary, by making available to private industry through the Bank of Canada and under parliamentary supervision low cost capital for production purposes.

(3) The sale of essential consumer goods which are available in adequate supply should be authorized at substantial price discounts with the producers subsidized, not by tax revenues which reflect themselves in prices but by an expansion of the national credit through the Bank of Canada under effective parliamentary control.

(4) This policy should be extended to make possible the distribution of additional purchasing power directly to consumers on a scale sufficient to raise the standard of living for all the Canadian people in direct relationship to future increases in the national production of consumer goods.

In our consideration of these matters, we do well to take cognizance of the prevailing world situation in which we, as a nation and a province, are vitally concerned.

Universal anxiety exists today because of the conflict in ideologies between the totalitarian nations and those who subscribe to a free and democratic way of life. We must recognize that the threat of world communism cannot be overcome by mere anti-communist propaganda or by the measure of national and hemispheric security afforded by military preparedness alone. While such preparedness obviously is necessary today, we should not let our efforts to that end blind us to the fact that the most effective defence against communism is people and nations whose social welfare and economic security is such that they are happy and contented and therefore immune to the insidious propaganda of those who constantly exploit misery and insecurity for the advancement of their own nefarious designs to enslave and dominate the world.

If we, as a people and nation, are serious in our professed desire to provide an effective antidote to this evil scourge that is spreading throughout the world, we should first put our own social, economic and financial house in order as a tangible evidence of our sincerity. We then will be in a much better position, both psychologically and economically, to make our maximum contribution towards helping to improve the lot of those peoples and nations less fortunate than ourselves. That is the goal and objective towards which the present Government of this Province will continue to strive. The comprehensive program for greater social security and accelerated economic development embodied in the budget I have presented to you tonight is tangible evidence of the firmness of our resolve.

Mr. Speaker, I move that you do now leave the Chair and that the Assembly resolve itself into a Committee of Supply for the consideration of sums to be granted to Her Majesty.

**STATEMENT No. 1**  
**Government of the Province of Alberta**  
**STATEMENT OF FUNDED DEBT AS AT MARCH 31, 1951**

Date of Issue	Date of Maturity	Amount Outstanding	Original interest rate	Reduced interest rate (a)	Currency in which payable (at holders' option)	Call Feature
<b>DEBENTURES AND STOCK:</b>						
Jan. 15, 1936	Jan. 15, 1946	\$ 300.00	4 1/2%	2 1/4%	C, U.S. or S.	Non-callable
Jan. 2, 1932	Jan. 1, 1947	10,000.00	5 1/2	2 3/4	C or U.S.	"
Mar. 1, 1932	Mar. 1, 1947	7,000.00	6	3	C or U.S.	"
Jan. 1, 1932	Jan. 1, 1948	3,000.00	5	2 1/2	C or U.S.	"
Jan. 1, 1933	Jan. 1, 1948	8,000.00	5	2 1/2	C or U.S.	"
April 15, 1935	April 15, 1950	2,266,000.00	2 3/4	2 3/4	C or U.S.	"
June 1, 1935	June 1, 1951	2,000.00	4 1/2	2 3/4	C or U.S.	"
Oct. 1, 1931	Oct. 1, 1951	250,000.00	2 1/2	2 1/4	C or U.S.	"
Dec. 1, 1947	Dec. 1, 1951	6,000.00	5 1/2	2 3/4	C or U.S.	"
April 1, 1922	April 1, 1952	2,329,000.00	2 3/4	2 3/4	C or U.S.	"
June 1, 1945	June 1, 1952	250,000.00	2 3/4	2 3/4	C or U.S.	"
Dec. 1, 1947	Dec. 1, 1952	2,400,000.00	3	2 3/4	C or U.S.	"
June 1, 1945	June 1, 1953	250,000.00	3	2 3/4	C or U.S.	"
Dec. 1, 1947	Dec. 1, 1953	2,474,000.00	4 1/2	2 3/4	C or U.S.	"
June 1, 1945	June 1, 1954	250,000.00	4 1/2	2 3/4	C or U.S.	"
Oct. 1, 1934	Oct. 1, 1954	5,500.00	4	2 3/4	C or U.S.	"
Dec. 1, 1934	Dec. 1, 1954	250,000.00	4	2 3/4	C or U.S.	"
June 1, 1945	June 1, 1955	6,500.00	4	2	C or U.S.	"
Sept. 1, 1933	Sept. 1, 1955	2,549,000.00	5	2 1/2	C or U.S.	Callable
Dec. 1, 1947	Dec. 1, 1955	3,000.00	2 3/4	2 1/2	C or U.S.	Non-callable
June 1, 1945	June 1, 1956	250,000.00	2 3/4	2 1/2	C or U.S.	"
Oct. 1, 1936	Oct. 1, 1956	2,633,000.00	4 1/4	2 1/4	C or U.S.	"
Dec. 1, 1936	Dec. 1, 1956	3,000.00	2 3/2	2 1/4	C or U.S.	"
Jan. 1, 1937	Jan. 1, 1956	250,000.00	4 1/2	2 1/4	C or U.S.	"
June 1, 1945	June 1, 1957	1,000.00	3 1/2	2	C or U.S.	"
Dec. 1, 1937	Dec. 1, 1957	2,721,000.00	4 1/4	2	C or U.S.	"
June 1, 1945	June 1, 1957	250,000.00	2 3/4	2	C or U.S.	"
Dec. 1, 1937	Dec. 1, 1957	950,000.00	3 1/4	2 1/4	C or U.S.	"
June 1, 1945	June 1, 1958	2,812,000.00	3 1/4	2 1/4	C or U.S. or S.	"
July 1, 1938	July 1, 1958	12,000.00	4 1/2	2 1/4	C or U.S. or S.	"
Oct. 1, 1938	Oct. 1, 1958	19,500.00	4 1/2	2 1/4	C or U.S. or S.	"
June 1, 1945	June 1, 1959	2,906,000.00	3 3/4	2 1/2	C or U.S. or S.	"
Oct. 1, 1939	Oct. 1, 1960	17,700.00	5	2 1/4	C or U.S. or S.	"
May 1, 1920	May 1, 1960	4,300.00	4 1/2	2 1/4	C or U.S. or S.	"
June 1, 1945	June 1, 1960	3,003,000.00	3 1/2	2 1/4	C or U.S.	Callable
Mar. 1, 1931	Mar. 1, 1961	4,240,000.00	2 5/8	2 1/4	C or U.S.	Non-callable
April 1, 1931	April 1, 1961	4,360,000.00	2 5/8	2 1/4	C or U.S.	Callable
Mar. 1, 1931	Mar. 1, 1962	3,000.00	3 1/2	2 1/4	C or U.S.	"
June 1, 1945	June 1, 1962	4,480,000.00	2 5/8	2 1/4	C or U.S.	"
Mar. 1, 1945	Mar. 1, 1963	3,000.00	3 1/2	2 1/4	C or U.S.	"
June 1, 1945	June 1, 1963	2,000.00	3 1/2	2 1/4	C or U.S.	"



[illegible]

**Sterling issues converted at par.**

(a) Reduced interest rates tendered by the Province.

Abbreviations: C.—Canada; U.S.—United States of America; S.—Great Britain.

## STATEMENT No. 2

## Government of the Province of Alberta

## STATISTICS

(Revised to latest available figures)

## 1. AGRICULTURE—

## (a) Land Resources:

Area: Land	248,800 square miles	159,232,000 acres
Water	6,485 square miles	4,150,400 acres
Total	255,285 square miles	163,382,400 acres

Occupied Farm Land	'000 acres	Forested Land	'000 acres
Improved—crops and summerfallow	18,377	Softwood—Merchantable	4,928
Pasture	731	Young growth	15,405
Other	423	Mixed Wood—Merchantable	5,990
Unimproved—Pasture	18,252	Young Growth	20,115
Woodland	2,109	Hardwood—Merchantable	2,317
Other	1,059	Young Growth	10,803
Total Occupied	41,451	Total Productive Forest	59,558

Unoccupied Farm Land—Grass,		Unproductive Forest	24,033
Bush etc.	17,198	Privately Owned Forest	6,403
Forested	28,300	Crown Land In Forest	77,194
Total Unoccupied	45,998	Total Forested Land	83,597

Non-forested	55,922	Net Productive Land	139,519
Forested and Woodland	31,527	Waste and Other Land**	19,713
Total Agricultural Land*	87,449		

\*Having any agricultural use whatsoever.

\*\*Includes road allowances, urban land, etc.

## (b) Population 1946:

Total	803,330	Farm Population	335,610
Urban	354,396	Males	185,880
Rural	448,934	Females	149,730
Number of Farms 89,541. Percentage of Farms fully owned 64.2. Population (preliminary) 1951—939,501.			

## Livestock on Farms:

	1950	1951		1950	1951
Cattle	1,442,900	1,432,400	Domestic Fowl	8,855,000	10,328,000
Sheep	414,500	416,600	Turkeys	473,000	530,000
Swine	307,700	1,038,000	Geese	76,000	78,000
Horses	318,900	237,200	Ducks	43,000	50,000

(c) Production:  
Crops—

	1950 Production '000 bu.	Value '000\$	1951 Preliminary Production '000 bu.	Value '000\$
Wheat	117,000	182,520	150,000	225,000
Coarse Grains	132,783	117,128	236,413	214,637
Flaxseed	400	1,400	1,200	4,536
Potatoes	4,245	4,967	3,219	4,539
	'000 tons		'000 tons	
Sugar beets	445	8,121	349	5,063
Tame Hay and Greenfeed	2,176	32,920	3,661	53,706
Miscellaneous*		6,714		5,455

## Livestock Marketings:

	Number		Number
Cattle	470,354	92,458	335,660
Calves	137,721	12,000	92,649
Sheep & Lambs	163,177	3,745	92,764
Swine	960,603	43,229	958,143
Horses	27,551	925	28,418
Dairy Products		42,130	47,121
Poultry Products		20,266	27,293
Honey and Wax		655	569
Wool		543	553
Fur Farming (pelts and animals exported)		1,970	2,326
Total Aggregate Value		571,691	753,844

\*Includes forage crop seed, dry peas, vegetables for processing, and mustard seed.

## STATEMENT No. 2 (Continued)

## Government of the Province of Alberta

## STATISTICS

(Revised to latest available figures)

## 2. NATURAL RESOURCES—

	1950		1951	
	Production	Value	Production	Value
Petroleum .....	27,149,232	bbls. \$ 80,568,178	45,915,384	bbls. \$116,819,581
Natural Gas (Well Head) .....	75,578,509	M.C.F. 3,778,925	85,382,154	M.C.F. 4,269,108
Coal .....	8,118,206	Tons 41,631,579	7,661,276	Tons 41,000,953
Salt (at the Wells) .....	25,595	Tons 255,950	19,770	Tons 197,700
Forestry—lumber cut .....	377,000,000	Ft. bm. 15,086,000	370,000,000	Ft. bm. 14,800,000
Forestry—Miscellaneous .....		3,671,000		3,347,000
Commercial Fishing .....	7,066,750	lbs. 767,887	8,399,088	lbs. 862,327
Fur (Wild Life) .....		1,888,918		2,530,978
Total Natural Resources .....		\$147,648,437		\$183,827,647

## 3. OTHER STATISTICS—

	1950	1951
Trade and Industry—		
Retail Trade .....	Sales \$ 747,690,000	831,350,000
Wholesale Trade .....	Sales \$ 430,000,000	480,000,000
Value of Production .....	\$ 389,200,000	421,750,000
Manufacturing Industries .....		
Railway Mileage .....	Miles 5,805	5,808
Schools in Operation .....	No. 2,303	2,284
Motor Vehicles .....	No. 230,624	300,000
Surfaced Highways .....	Miles 18,066	18,191
Bank Clearings .....	\$ 2,626,870,717	2,963,850,119
Bank Debits .....	\$ 5,631,919,969	6,241,574,585
Construction Industry .....	Contracts Awarded \$ 134,878,500	183,075,100
Defence Contracts .....	Awarded \$ 169,264	13,318,538

